P.E.I.
Gov't. Pubs
Industrial

PRINCE EDWARD ISLAND
INDUSTRIAL
CORPORATION

ANNUAL REPORT
for the fiscal year
ending March 31, 1968

101-07032/

TO HIS HONOUR
THE HONOURABLE W.J. MacDONALD, E.D.
Lieutenant-Governor of Prince Edward Island

MAY IT PLEASE YOUR HONOUR:

I have the honour herewith, for the information of Your Honour and the Legislature of Prince Edward Island, to present the Nineteenth Annual Report of the Prince Edward Island Industrial Corporation and the financial statements of the Corporation for the fiscal year 1967-68.

Respectfully submitted,

C. A. Miller

Minister of Industry and Natural Resources

Minister of Industry and Natural Resources
Charlottetown
Prince Edward Island

Sir:

As directed by and on behalf of the Board of Directors of the Prince Edward Island Industrial Corporation, and as required under Section 10 of "The Prince Edward Island Industrial Corporation Act", I submit the Nineteenth Annual Report outlining the activities of the Corporation for the year ending March 31, 1968.

During this period the Directors of the Corporation were as follows:

Hon. C. A. Miller, Chairman	President
Hon. T. E. Hickey	Vice-President
Hon. Keir Clark	
Mr. P. A. Murnaghan	
Mr. Wendell G. Barbour	

During the period under review the Board met on seventeen occasions to deal with matters coming before it.

Financing was approved for the expansion of six facilities throughout the Province.

Negotiations were carried on throughout the year in order to maintain the facilities of the industries at Georgetown, arranging for the completion of trawlers in the shipyard, etc., and in co-operation with the Trustee in Bankruptcy continuing to arrange for the settling of the affairs of the two companies. A Fisheries Training School was operated on the premises of Gulf Garden Foods during the summer months.

Forming a part of this report will be found the following:

1. Auditor's Report to the Shareholders
2. Auditor's Statement of Assets & Liabilities
3. Statement of Operations
4. Analysis of Expenditure.

Respectfully submitted on behalf of the Board.

L. S. Finley
Acting Secretary

AUDITOR'S REPORT TO THE SHAREHOLDERS

I have examined the Balance Sheet of the Prince Edward Island Industrial Corporation as at 31st March 1968 and the Statement of Income and Expenses for the year ended on that date and have obtained all the information and explanations I have required.

My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary under the circumstances.

The item Accounts Receivable- Industrial Enterprises Inc. for Souris Plant in the amount of $ 270,394.06 is the amount the Corporation expects to receive for the plant but as of the date of this report no confirmation of the amount was available. Any difference in the amount shown and the amount received will be adjusted in the financial statements of the Corporation when final price is agreed upon.

Subject to the above comments, in my opinion, the accompanying Balance Sheet of the Prince Edward Island Industrial Corporation presents the financial position of the Corporation as at 31st March 1968 and the results of its operation for the year then ended, according to the best of my information and the explanations given to me and as shown by the books of the Corporation.

CHARLOTTETOWN, P.E.I.
February 18, 1969

ARTHUR J. GARRETT

CHARTERED ACCOUNTANT.

PRINCE EDWARD ISLAND INDUSTRIAL CORPORATION

BALANCE SHEET AS AT 31st MARCH, 1968

A S S E T S

CURRENT ASSETS

Accounts receivable (Due from Provincial Treasurer-previous year's deficit)	152,647.32	
Cash in bank	35,220.86	
Accrued interest (Statement attached)	83,238.07	
Accounts received-Sundry	1,863.36	
Prepaid expense (Insurance)	20,371.18	
Accounts receivable (Fire Insurance)	201,981.87	
Accounts receivable-Long Term Loans -Current portion	148,033.47	
Inventory and Accounts Receivable (Gulf Garden Foods)- At purchase price from bankruptcy Trustees	27,675.08	
Accounts receivable- Industrial Enterprises Inc. for Souris Plants	270,394.06	
		941,425.27

COST TO DATE TO P.E.I. INDUSTRIAL CORPORATION

ON SHIP HULLS		
# 7 Howe Bay	159,219.26	
9 Gulf Gull	211,920.32	
10 Gulf Gallant	208,432.35	
11 Gulf Guard	197,653.62	
12 Gulf Grenadier	456,740.75	
14 Gulf Gunn	440,717.38	
15 Gulf Gerd	522,273.84	
16 Gulf Georgetown	448,044.95	
17 Hillsborough	435,500.00	
19 Egmont	137,250.00	
		3,217,752.47

(forward)

PRINCE EDWARD ISLAND INDUSTRIAL CORPORATION

BALANCE SHEET AS AT 31st MARCH, 1968

A S S E T S

FORWARD...

LONG TERM LOANS (Statement Attached)	1,615,411.85	
Less: Current Portion (Above)	148,033.47	1,467,378.38
BATHURST MARINE BUILDINGS AND EQUIPMENT (Statement Attached)		264,583.36
GULF GARDEN FOODS LTD. BUILDINGS AND EQUIPMENT (Statement Attached)		3,536,977.89
HEAD OFFICE EQUIPMENT (At Cost Less Depreciation)		2,851.61
TOTAL ASSETS		9,430,968.98
DEFICIT		
Deficit- 31st March 1967	151,871.79	
Excess of expenses over income for year	948,018.86	
	1,099,890.65	
Less: Refund due from Provincial Treasurer of previous years deficit	152,647.32	947,243.33
		$ 10,378,212.31

PRINCE EDWARD ISLAND INDUSTRIAL CORPORATION

BALANCE SHEET AS AT 31st MARCH, 1968

LIABILITIES

CURRENT

P. E. I. Fishermen's Loan Board		
-Charlottetown	733,248.60	
-Bathurst Shipbuilding Operations	142,259.16	
Accounts payable	60,511.69	
		936,019.45

LONG TERM LIABILITIES

Bank loans		
- Canadian Imperial Bank of Commerce	700,000.00	
-Toronto Dominion Bank	310,625.00	
-Royal Bank of Canada	349,656.23	
Advances from Provincial Treasurer	8,036,908.63	
		9,397,189.86
TOTAL LIABILITIES		10,333,209.31

CAPITAL STOCK

Authorized -		
100,000 shares of no par value	-	
Common stock issued and paid up		
90,006 shares		45,003.00
	$	10,378,212.31

PRINCE EDWARD ISLAND INDUSTRIAL CORPORATION

STATEMENT OF INCOME AND EXPENSES

FOR THE YEAR ENDED 31ST MARCH 1968.

INCOME			
Interest (Statement attached)		196,523.69	
Gulf Garden- Sale of ice		4,798.77	
Storage charges		20,496.82	
Rental of ship hulls		6,503.65	
			228,322.93
EXPENSES			
Interest paid and accrued			
-Canadian Imperial Bank of Commerce	47,815.25		
-Tronto Dominion Bank	20,208.78		
-Royal Bank of Canada	22,736.79		
-Provincial Treasurer	526,853.56	617,614.38	
Head Office expenses (Schedule attached)		38,708.25	
Souris Plant expenses		3,129.00	
Georgetown Water control		5,729.27	
Leaseway charges (Gulf Garden)		17,112.29	
Gulf Garden Maintenance		134,555.48	
Bathurst Marine Maintenance	48,760.88		
Less: Rental of facilities	34,400.00	14,360.88	
Fishery Training School -Expenses	44,963.20		
Less: Dept. of Education Receipts	6,163.75	38,799.45	
Sundry		510.26	
Loss on Dragger Operations (Statement attached)		221,953.76	
Bankruptcy Trustees fees and expenses			
-Fees	15,975.00		
-Disbursements and expenses	12,768.77	28,743.77	
Payment of claim A/S Bergens Mekanke Verksteder re assignment with Bathurst Marine		55,125.00	
			1,176,341.79
LOSS FOR THE YEAR			$ 948,018.86

PRINCE EDWARD ISLAND INDUSTRIAL CORPORATION

STATEMENT OF DRAGGER OPERATIONS

FOR THE YEAR ENDED 31ST MARCH 1968

REVENUE		
Fish sales		$ 252,855.45
EXPENSES		
Maintenance and repairs	112,403.15	
Catching gear	68,828.59	
Sundry equipment	8,536.63	
Fuel, oil and grease	63,005.83	
Ice and water	13,229.20	
Provisions and supplies	23,836.75	
Wages and unloading	30,467.52	
Insurance	55,600.88	
Interest	11,575.19	
Wharfage, etc.	1,358.73	
Licenses	880.98	
Miscellaneous	2,450.83	
Crew shares	92,958.75	485,133.03
		232,277.58
Less: Proceeds received from Trustee in bankruptcy re claim for settlement of 15% of catch of Gulf Grenadier $23,134.87 and expenses paid by Corporation re leaseway charges, insurance and school taxes $29,537.68 (.20¢ on the dollar)		10,323.82
		$ 221,953.76

PRINCE EDWARD ISLAND INDUSTRIAL CORPORATION

31ST MARCH 1968

STATEMENT OF COST OF GULF GARDEN PLANT

Advances on plant buildings and equipment to date		2,934,081.61
Accrued interest on advances to 31st March 1967		284,524.78
McMaster, Meighan, Minnion, Patch & Cordeau ($\frac{1}{2}$ fees and disturserents)		43,371.50
Payment to Trustee in bankruptcy for benefit of unsecured creditors		275,000.00
	$	3,536,977.89

STATEMENT OF COST OF BATHURST MARINE PLANT

Advances on plant buildings and equipment		320,833.34
Accrued interest on advances to 31st March 1967		19,009.97
McMaster, Meighan, Minnion, Patch & Cordeau ($\frac{1}{2}$ fees and disbursements)		43,371.50
New shop building (Cost to 31st March 1968)		56,358.11
Repairs due to fire		27,627.31
		467,200.23
Less: Insurance recoverable	201,981.87	
Sale of scrap	635.00	202,616.87
	$	264,583.36

PRINCE EDWARD ISLAND INDUSTRIAL CORPORATION

STATEMENT OF LONG TERM LOANS AND INTEREST INCOME

FOR THE YEAR ENDED 31ST MARCH 1968

	Interest Income	Principal 31-3-68	Accrued Interest 31-3-68
Lease Purchase Agreement (Seabrook Farms Frozen Foods Ltd.) Payable in 14 equal annual installements	44,745.20	700,000.00	10,995.20
Additional advances	14,938.29	237,500.00	3,678.56
P.E.I. Frosted Foods	33,771.13	-	-
Langley Fruit Packers	66,155.76	-	-
O'Leary Produce Ltd. advances	3,086.00	54,000.00	7,546.04
Judson Packers Ltd. advances	10,205.00	157,000.00	28,014.46
Stella Maris Atlantic Ltd. advances	14,467.57	224,900.00	24,081.27
H.C. Leavitt advances	945.00	13,500.00	1,128.75
Babineau Fisheries Ltd. advances	2,309.14	38,000.00	1,791.54
Bernard MacPherson advances	931.10	15,000.00	1,032.75
Newton MacKay advances	680.63	14,000.00	680.63
William B. Rourke advances	289.73	10,000.00	289.73
Spartan Construction Co.	266.22	11,345.60	266.22
H.B. Willis, Inc.	3,459.78	119,982.50	3,459.78
Dillon Printing Co.	236.71	12,000.00	236.71
Weeks & Sons	36.43	8,183.75	36.43
	$196,523.69	1,615,411.85	83,238.07

STATEMENT OF HEAD OFFICE EXPENSES

Salaries	15,714.55
Travelling	1,390.32
Telephone	1,681.75
Office and stationery	2,085.73
Legal	15,780.90
Audit	1,715.00
Sundry	340.00
	$ 38,708.25